

SENATE BILL REPORT

SB 5882

As Reported By Senate Committee On:
Ways & Means, February 28, 2007

Title: An act relating to creating the Washington state heritage center account and establishing fees to be used for financing the Washington state heritage center.

Brief Description: Funding the Washington state heritage center.

Sponsors: Senators Fraser, Honeyford, Regala, Swecker, Rockefeller, Parlette, Kohl-Welles, Rasmussen and Kastama; by request of Secretary of State.

Brief History:

Committee Activity: Ways & Means: 2/19/07, 2/28/07 [DPS, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5882 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Brandland, Fairley, Hatfield, Hobbs, Honeyford, Keiser, Kohl-Welles, Oemig, Parlette, Rasmussen, Regala, Rockefeller and Tom.

Minority Report: That it be referred without recommendation.

Signed by Senators Zarelli, Ranking Minority Member; Roach and Schoesler.

Staff: Brian Sims (786-7431)

Background: The Secretary of State's office and county auditors charge fees for the filing and recording of various documents. Many of these documents are eventually stored in the State Archives. Documents filed with the Secretary of State include articles of incorporation, certificates for limited liability companies, and registration of limited liability partnerships. Documents recorded with county auditors include deeds, grants, transfers of real property, mortgages and releases of mortgages, and other instruments involving land and real property.

Funding was provided in the 2005-07 biennium for a pre-design to redevelop the north side of the capital campus including the development of a new Heritage Center that would house the State Library, State Archives, and other historical documents. The Heritage Center pre-design calls for the construction of a 226,000 square foot building at an estimated price of \$110.8 million.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill: Fees are authorized for the repayment of a certificate of participation (financing agreement) for the construction and maintenance of the Heritage Center and for various operating expenses. The Secretary of State must collect an additional fee of \$5 on: (1) articles of incorporation of domestic corporations or applications for certificates of authority for foreign corporations; (2) certificates of formation for domestic limited liability companies or registrations of foreign limited liability companies; (3) registration of foreign and domestic partnerships and limited liability partnerships; (4) certificates of limited partnerships and registration of foreign limited partnerships; and (5) registrations of trademarks. These additional fees are deposited into the Washington State Heritage Center Account. The Secretary of State can solicit gifts and grants for the development, construction, and operation of the Washington State Heritage Center. County auditors must collect an additional \$2 for recording documents to be deposited into the Washington State Heritage Center Account. The Washington State Heritage Center Account is created in the custody of the State Treasurer. Monies in the account can only be used for payments of the certificate of participation, capital maintenance, or program expenses of the Heritage Center, the State Archives, the State Library, or the Capital Museum. The account is non-appropriated but subject to allotment. Interest earnings remain in the account rather than being deposited in the General Fund.

EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Ways & Means): The substitute bill eliminates the emergency clause and delays the fee increase for recording instruments until January 1, 2008, and the increase for filings with the Secretary of State's Office until January 1, 2009. This corrects the bill to match the assumptions for financing the Heritage Center.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2007. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony: PRO: The new Heritage Center will serve citizens, historians, and legal researchers. It will be a major attraction for tourist and visitors to the capital campus including students who are visiting the capital and learning about the history of our state. The fees provided in the bill will support a facility that will become a wonderful legacy for the state. It is important for students to see our state's deep history.

Persons Testifying: PRO: Sam Reed, Secretary of State; Bob Mitchell, Washington Realtors.